

CHAPTER FIVE

COMPENSATION

Table of Contents

I.	City of Hampton Compensation Program.....	1
	A. City of Hampton Compensation Philosophy	1
	B. Compensation Plan	3
	C. Pay Administration.....	4
	D. Applicability	6
II.	Categories of Positions	7
	A. Permanent.....	7
	B. When Actually Employed.....	7
III.	Establishing Hourly Rates	7
	A. Establishing Straight Time Hourly Rates	7
	B. Establishing Hourly Rates for Overtime Purposes.....	7
	C. Federal Minimum Wage	8
	D. Partial Hour Calculation.....	8
IV.	Special Hiring Rates	8
	A. Managerial/Professional, Administrative/Technical, Public Safety Employees.....	8
	B. WAE Employees.....	8
	C. Selection of WAE Employees for Permanent Full-Time Positions	9
V.	Merit Increases	9
	A. Merit Increase Administration	9
	B. Effect of less than 'Met' Rating on Merit increases	9
VI.	Promotions	10
	A. Permanent Full-Time and Permanent Part-Time Employees	10
	B. Temporary Promotions	10
VII.	Demotions	11
VIII.	Reassignment	12

A. Reassignment to a Position in the Same Pay Range	12
B. Reassignment Through No Fault to a Position in a Lower Pay Range	12
C. Voluntary Reassignment to a Position in a Lower Pay Range	12
D. WAE Employee	13
IX. Administrative Upgrade	13
X. Reclassification or Assignment of Position to a Different Pay Range.....	13
XI. Salary Adjustment Within Pay Range.....	14
XII. Reinstatement	14
XIII. Eligibility for Overtime.....	15
A. Exempt Employees.....	15
B. Non-Exempt Employees.....	15
C. Non-Exempt Uniformed Fire and Rescue Division Employees.....	15
D. Non-Exempt Sworn Police Division Employees on a 28-Day Cycle	15
E. Overtime Pay During Emergencies and Disasters.....	16
XIV. Compensatory Time.....	16
A. Exempt Employees.....	16
B. Non-Exempt Employees.....	16
C. Maximum Accumulation of Compensatory	17
XV. Longevity Pay	17
XVI. City Holidays.....	17
A. City Holiday Observance	17
B. City Holiday Pay	18
XVII. Call-Out and On-Call Pay	20
A. Call-Out Pay	20
B. On-Call Pay	20
XVIII. Emergency Management and Inclement Weather.....	21
XIX. Achievement Award Program	22
A. Monetary Awards.....	23

B. Non-Monetary Awards.....	23
XX. Additional Compensation.....	23
A. Bonus	23
B. Annual Stipend	24
C. Weapons Allowance	25
D. Educational Incentives.....	25
E. Certification Incentives	25
F. Critical Skills Retention Incentive.....	25
G. Sustained Performance Adjustments	26
XXI. Fair Labor Standards Act.....	26

Appendix 1 – Administrative/Technical Pay Ranges

 Managerial/Professional Pay Ranges

 Public Safety Pay Ranges

 WAE Hourly Pay Rates

Personnel Administrative Instruction 5.1 – Employment Offer Verification

Personnel Administrative Instruction 5.2 – Achievement Award Process

Personnel Administrative Instruction 5.3 – Police Division Incentive Pay

Personnel Administrative Instruction 5.4 – Fire and Rescue Division Incentive Pay

Personnel Administrative Instruction 5.5 – Sick Leave Bonus

Personnel Administrative Instruction 5.6 – Time & Attendance Reporting and Retention
Requirements

Personnel Administrative Instruction 5.7 – Critical Skills Retention Incentive

CHAPTER FIVE

COMPENSATION

I. City of Hampton Compensation Program

A. City of Hampton Compensation Philosophy

The City of Hampton's goal is to be the employer of choice by meeting the career needs of our employees. This will be accomplished by attracting, retaining and motivating high-performing employees and providing a competitive total compensation package. The total compensation package is based on economic conditions, service delivery to citizens and the financial resources available in the community.

City of Hampton Compensation Plan Definitions:

- 1. Career Needs** - The City recognizes the need for individuals to grow professionally. To this extent the City will encourage personal and professional growth and development both vertically and horizontally for employees. The City values continuous growth in knowledge, skills, and competencies, which result in enhanced service to citizens and adds value to the organization.
- 2. Motivation and Retention Strategies** - Factors contributing to increased job satisfaction and therefore greater motivation and productivity include but are not limited to:
 - On-the-job training opportunities

- Opportunities to receive performance feedback, coaching and mentoring
- Opportunities for direct, positive feedback from customers
- Cross-training opportunities
- Public praise or recognition for customer delight
- Flexible scheduling where feasible
- Friendly and collaborative work environments
- Open door management
- Opportunities for continuous learning and organizational involvement

3. High Performance Employees Consistently

- Treat others with dignity and respect
- Master all job requirements
- Assume responsibility beyond job expectations
- Seek additional educational and career development opportunities
- Foster customer delight
- Demonstrate sound judgment
- Facilitate project completion

4. Total Compensation Package - The City's total compensation package includes: base and incentive pay, longevity pay, medical benefits, retirement, paid annual and

sick leave, tuition reimbursement, employee assistance program, flexible scheduling and career development opportunities.

5. Economic Conditions Include:

- Local, regional and state economic conditions (e.g. cost-of-living and cost-of-labor indices)
- The level of income growth of Hampton residents
- The performance of Hampton businesses

6. Service Delivery to Citizens - Services, activities and events provided by City employees that enhance the quality of life and ensure the safety and security of citizens.

7. Availability of Financial Resources – In accordance with the financial policies established by City Council, the availability of sufficient resources in the City's budget to fund the total compensation package.

B. Compensation Plan

The City's compensation plan shall be developed, maintained and administered by the Director of Human Resources, acting for the City Manager. The Director of Human Resources shall have responsibility for management of the compensation plan. However, the plan may be administered with input and participation from managers and employees at all levels of the organization.

C. Pay Administration

1. Surveys

Surveys may be conducted on an ongoing basis as positions become vacant, upon Department Head request or upon initiation of the Director of Human Resources when it is determined necessary for the effective administration of the compensation system.

2. Assignment of Positions to Pay Ranges

The Director of Human Resources or designee shall be responsible for assigning City positions to a pay schedule, pay range, and/or pay band. This assignment is based on market data and the City Manager's determination of the strategic value of positions and/or employees to the organization. Strategic value considerations may involve turnover, skill sets, recruitment and retention concerns, the impact of specific positions and employees on the organization's mission, and other relevant factors.

Pay ranges for Managerial/Professional, Administrative/ Technical, Attorney, and Public Safety positions and pay rates for WAE positions are located in the appendices of this chapter.

Compensation for executives and other senior level managers is established by the City Manager based on accomplishments and budgetary limits. Compensation for executives and senior level managers may be monetary, non-monetary or a combination of both.

3. Establishing Pay on Ranges or Bands

The employee's base salary shall be set within the pay range, pay band, and/or on the pay schedule established for the position. No employee's base salary shall be more than the maximum or less than the minimum pay established for the position.

4. Broad Banding Structures

The Director of Human Resources may develop and implement broad banding structures where pay zones within a broad band are more appropriate than traditional pay ranges. Customized structures may be designed to fit the specific mission, objectives and needs of one (1) or more departments or teams, and shall establish policies for pay changes within bands and zones. A broad band shall consist of two (2) or more approved pay ranges linked together and may include zones within the band. Criteria shall be established distinguishing one zone from another and shall include performance outcomes expected from employees assigned to the zone. Movement along the zone and/or band shall be based on performance results as outlined in an approved plan. Employees shall have pay set on a zone within the band in accordance with pay-setting provisions. The plan for each department must be approved by the City Manager prior to implementation.

5. Commission Sales Plans

The Director of Human Resources may develop commission sales pay plans for employees who work in sales and/or marketing positions. Plans may be modified to fit the specific mission and objectives of

particular types of sales/marketing operations, and may include provisions for base pay, commissions, and/or bonuses based on performance outcomes. Compensation plans established for sales/marketing employees shall be based on sales performance, and may also take into account market data and analysis, trend information resulting from previous City of Hampton sales and marketing activities, outside information resources and indices, and strategic considerations as determined appropriate by the City Manager. The plan for each department must be approved by the City Manager.

D. Applicability

This manual shall apply to and is the sole authority for setting rates of pay for the following categories of jobs and employees: general fund and non-general fund, except: members of City Council; elected officials and the employees of elected officials not covered by written agreement; the City Manager; City Attorney; Department Heads and other managers assigned to the executive compensation plan; employees or persons whose rates of pay are otherwise determined by Virginia law; employees or persons providing a specialized service under the supervision of a City of Hampton activity who are paid from other than federal, state, or general funds (e.g. security employees provided to local businesses and producers, sponsors, or promoters utilizing the Coliseum) and other individuals who are exempt from the City pay system as defined in Chapter One, Section II. Its application to any of these activities or any non-city agency shall be by mutual agreement between the City Manager, the Director of Human Resources and the head of the agency/activity concerned.

II. Categories of Positions

A. Permanent

1. **Permanent Full-Time (PFT):** Positions needed on a continuing basis and requiring a regularly scheduled workweek of forty (40) hours or more.
2. **Permanent Part-Time (PPT):** Positions needed on a continuing basis and requiring a regularly scheduled workweek of forty (40) or less hours.

B. When Actually Employed

When Actually Employed (WAE): Positions required on an ongoing or temporary basis in which the incumbents work and are paid when actually needed.

III. Establishing Hourly Rates

A. Establishing Straight Time Hourly Rates

When a straight time hourly rate is required for any purpose it shall be derived by dividing the annual salary of the position by 2080 for all employees except for uniformed Fire and Rescue Division employees on twenty-four (24) hour shifts whose rate is derived by dividing the annual salary by 2704.

B. Establishing Hourly Rates for Overtime Purposes

Hourly rates for overtime purposes shall be based on one and one-half (1.5) times the sum of the employee's straight time hourly rate plus any additional remuneration as specified by the Fair Labor Standards Act.

C. Federal Minimum Wage

The City is subject to the Fair Labor Standards Act therefore, the Federal Minimum Wage shall apply to all individuals employed by the City, regardless of source of funding. Increases in the Federal Minimum Wage shall be automatically implemented on dates specified in the enacting legislation.

D. Partial Hour Calculation

Time reported for pay purposes will be rounded to the nearest quarter hour (1/4) using the eight (8) minute rule.

IV. Special Hiring Rates

A. Managerial/Professional, Administrative/Technical, Public Safety Employees

A new employee or a rehired employee with a break in service of more than ninety (90) calendar days shall normally be hired at the minimum of the pay range. Based on a new employee's knowledge, skills and abilities, special hiring rates and/or a sign-on bonus may be granted with written approval of the Director of Human Resources and/or the City Manager, as appropriate.

B. WAE Employees

WAE employees shall normally be paid at the rate assigned to the position. New employees may be paid at a higher rate in special circumstances with written approval of the Director of Human Resources and/or the City Manager, as appropriate. The higher rate of pay shall be assigned to a rate on the WAE pay scale.

C. Selection of WAE Employees for Permanent Full-Time Positions

WAE employees who are selected for permanent full-time positions shall be considered new employees and are eligible for special hiring rates as outlined in Section A.

V. Merit Increases

A. Merit Increase Administration

All merit increases shall be established by City Council resolution based on the recommendation of the City Manager. Permanent Full-Time and Permanent Part-Time employees shall be eligible for merit increases the first pay cycle of the fiscal year. WAE employees shall not be eligible for merit increases. Merit increases shall be included in base pay until the salary reaches the maximum of the pay range or applicable zone on an approved pay band.

B. Effect of less than 'Met' Rating on Merit increases

A merit increase for an employee with performance that is less than 'Met' shall be deferred for up to six (6) months, with Department Head approval and in coordination with the Department of Human Resources. The reason for the deferral of the merit increase shall be discussed with the employee. The employee shall be given an opportunity to improve performance during the deferral period in accordance with the provisions of Chapter Four, Section IV of this manual. The Performance Improvement Plan shall be documented as an attachment to the Performance Management Form and forwarded to the Department of Human Resources. If the employee improves performance to an overall 'Met' level or better during the deferral period, then the

employee shall be granted the appropriate prorated merit increase to be effective at the end of the deferral period.

VI. Promotions

A. Permanent Full-Time and Permanent Part-Time Employees

A permanent employee who competes for and is promoted to a position with a higher pay range midpoint shall be granted an increase at the time of promotion.

1. No Change in Fair Labor Standards Act Status

The new salary shall be set at the minimum of the new pay range or the employee shall receive an eight percent (8%) increase, not to exceed the absolute maximum of the new pay range, whichever is greater.

2. Change in Fair Labor Standards Act Status – Non-Exempt to Exempt

When an employee is promoted from a position subject to overtime compensation to a position not subject to overtime compensation in accordance with the Fair Labor Standards Act, the new salary shall be set at the minimum of the new pay range or the employee shall receive a ten percent (10%) increase, not to exceed the absolute maximum of the new pay range, whichever is greater.

3. Change in Fair Labor Standards Act Status – Exempt to Non-Exempt

When an employee is promoted from a position not subject to overtime compensation to a position subject to overtime compensation in accordance with the Fair Labor Standards Act the new salary shall be set at the minimum of the

new pay range or the employee shall receive an eight percent (8%) increase, not to exceed the absolute maximum of the new pay range, whichever is greater.

B. Temporary Promotions

Establishing pay for temporary promotions shall be the same as for permanent promotions. An employee who is temporarily promoted and later reverts to the former position shall have pay set at the rate that would have attained had the temporary promotion not occurred. Merit increases for employees in a temporary promotion status shall be calculated based on the employee's base pay in the permanent assignment and added to the employee's total salary in the temporary promotion. The only exception to this policy shall be for employees temporarily promoted to positions on Executive Pay, in which case the City Manager shall establish annual salaries.

VII. Demotions

The following policies for establishing pay apply to employees who are demoted to positions with a lower pay range midpoint or rate of pay due to poor performance, failure to meet job requirements or misconduct. An employee who is demoted from a position to another position with a lower pay range midpoint because of less than 'Met' performance, failure to meet job requirements or misconduct, shall have pay reduced by fifteen percent (15%) or set at the minimum of the new pay range, whichever results in the least loss of pay. Base pay shall not exceed the maximum of the new pay range. A WAE employee moved to a WAE position at a lower rate of pay due to unsatisfactory performance, failure to meet job requirements or misconduct shall have pay set at the lower rate.

VIII. Reassignment

The following policies for establishing pay apply to employees who are reassigned from a position to another position for which the same or a lower range of pay is prescribed. Reassignments may be at the employee's request or for management reasons.

A. Reassignment to a Position in the Same Pay Range

An employee who is reassigned from a position to another position with the same pay range midpoint shall remain at the same rate of pay. An employee who is reassigned from one funding source to another with the same position title and same pay range midpoint shall remain at the same rate of pay.

B. Reassignment through No Fault to a Position in a Lower Pay Range

An employee may be reassigned from a position to another position with a lower pay range midpoint through no fault (e.g. reorganization, reevaluation of the position, response to market factors). The employee shall retain the current base pay unless it exceeds the maximum of the new pay range, in which case the base pay shall be set at the maximum of the new pay range.

C. Voluntary Reassignment to a Position in a Lower Pay Range

An employee who requests and is reassigned to a position with a lower pay range midpoint shall have the base pay set at the time of the action.

1. No Change in Fair Labor Standards Act Status

The base pay will be set at the minimum of the new range or reduced by eight percent (8%), whichever results in the least loss of pay.

2. Change in Fair Labor Standards Act Status – Non-Exempt to Exempt

The base pay will be set at the minimum of the new range or reduced by eight percent (8%), whichever results in the least loss of pay.

3. Change in Fair Labor Standards Act Status – Exempt to Non-Exempt

The base pay will be set at the minimum of the pay range or reduced by ten percent (10%), whichever results in the least loss of pay.

D. WAE Employee

A WAE employee who is reassigned to a position at a lower rate of pay shall have the pay set at the lower rate of pay.

IX. Administrative Upgrade

A trainee/recruit who has met all the requirements of the higher level position for which the employee is being trained shall be administratively upgraded without competition with Department Head approval. The employee shall retain the existing base pay or the minimum of the new pay range whichever is greater.

X. Assignment of Position to a Different Pay Range

When a position is assigned to a pay range with a higher midpoint or a higher pay rate, the employee shall retain the current base pay or be placed at the minimum of

the new pay range or rate, whichever is greater. When a position is assigned to a pay range with a lower midpoint or pay rate the employee shall retain the current base pay unless it exceeds the maximum of the new pay range or rate, in which case the base pay shall be set at the maximum of the new pay range. These actions are administrative in nature and do not require competition on the part of the incumbents.

XI. Salary Adjustment within Pay Range

Salary adjustments, not to exceed the maximum of the pay range for the position, may be granted in cases where:

- 1) an employee has assumed significantly greater responsibility
- 2) an increase is necessary to retain a valuable employee who has received a written competing job offer or a competing job offer that has been verified by Human Resources
- 3) other valid reasons as determined by the Department Head

Requests must be approved in writing by the Director of Human Resources and the City Manager. Supporting documentation and approval shall be included in the employee's official personnel file.

XII. Reinstatement

A former permanent employee, who leaves employment in good standing, may be reinstated if reemployed within ninety (90) calendar days from the date of separation. The reinstated employee must be appointed to a position with the same title and rate of pay (plus any applicable adjustments made subsequent to separation) and position

status from which the employee was separated. The period of separation shall be considered as leave without pay.

XIII. Eligibility for Overtime

A. Exempt Employees

Employees assigned to positions determined to be exempt under the Fair Labor Standards Act are expected to work such hours necessary to accomplish the assigned responsibilities without additional compensation.

B. Non-Exempt Employees

Employees assigned to positions determined to be non-exempt under the Fair Labor Standards Act are eligible for overtime for hours worked in excess of forty (40) in an administrative workweek.

C. Non-Exempt Uniformed Fire and Rescue Division Employees

Non-exempt uniformed Fire and Rescue Division employees shall be paid in accordance with the Code of Virginia, Section 9.1-700 *et seq.*

D. Non-Exempt Sworn Police Division Employees on a 28-Day Cycle

Non-exempt sworn Police Division employees assigned to positions determined to be non-exempt under the Fair Labor Standards Act are eligible for overtime for hours worked in excess of the regularly scheduled work hours in a designated twenty-eight (28) calendar-day cycle.

E. Overtime Pay During Emergencies and Disasters

Overtime payment for exempt employees (not normally eligible for overtime compensation) may be authorized by the City Manager during emergencies or disasters.

XIV. Compensatory Time

A. Exempt Employees

Employees assigned to positions determined to be exempt under the Fair Labor Standards Act are expected to work such hours necessary to accomplish the assigned responsibilities without additional compensation or compensatory time.

B. Non-Exempt Employees

Non-exempt employees may be granted compensatory time in lieu of cash payment on the basis of one and one-half (1.5) hours off for each hour worked in excess of forty (40) in an administrative work week. Compensatory time may be granted and shall be documented in an agreement between the manager/supervisor and the employee before the performance of the work. Compensatory time shall be documented on an approved City of Hampton time reporting form for each administrative work week. Detailed instructions on tracking non-exempt compensatory time are contained in the Personnel Administrative Instruction.

Compensatory time may be taken at the employee's request with supervisory approval so long as the use of the compensatory time does not unduly disrupt the operations of the department. Employees may be paid at the current overtime rate for accumulated compensatory time at management's discretion.

C. Maximum Accumulation of Compensatory Time

Employees may accumulate a maximum of sixty (60) hours of compensatory time. Overtime hours in excess of the maximum must be compensated at the overtime rate. The compensatory time balance shall be paid at the current overtime rate upon separation from employment.

XV. Longevity Pay

Permanent Full-Time employees shall receive longevity pay at the rate of two hundred dollars (\$200) for each three (3) full years of continuous service. Such service shall be computed from the individual employee's last date of employment with the City and longevity increments shall be effective at the beginning of the first pay period of the calendar month in which the employee attains eligibility. There is no limit on the number of longevity increments an employee can earn.

XVI. City Holidays

A. City Holiday Observance

The City shall observe ten (10) paid holidays each calendar year, one of which may be the employee's birthday which may be taken on another work day within the calendar year with management approval. The City Manager shall designate the City holidays and the dates on which such holidays will be observed prior to the beginning of each calendar year. Sworn Police employees, uniformed Fire and Rescue employees on twenty-four (24) hour shifts and other employees who work in operations that must be continuously maintained regardless of holidays may observe the actual legal

holidays for pay purposes. Such operations and employees shall be identified in writing by the Department Head.

Permanent Full-Time employees who actually work, or who are in an approved paid leave status, on the last working day before the City holiday and the first working day after the City holiday shall be compensated for City holidays. Permanent Part-Time and WAE employees shall not be paid when excused from work on a City holiday. Permanent Full-Time employees not required to work on a City holiday shall be excused from duty and shall be paid the straight time rate for the regularly scheduled shift.

B. City Holiday Pay

All employees who have been directed and authorized by an appropriate management official to perform work on a City holiday shall be paid two and one-half (2 1/2) times the straight time rate for all hours actually worked. Hours worked outside the assigned shift shall be compensated as straight time or overtime as appropriate in accordance with Section XIII of this Chapter. Holiday pay shall only be paid for the portion of the shift that falls within the period from 12:01 a.m. through midnight on the City holiday.

1. Employees may be assigned to a regularly scheduled workweek of forty (40) hours on days other than Monday through Friday. If a designated City holiday falls on the first day off, the preceding workday is observed as the holiday. If a designated holiday falls on the second day off, the following workday is observed as the City holiday.
2. Employees may be assigned to a regularly scheduled workweek consisting of four (4) ten (10) hour days. If a designated City holiday falls

on one of the regularly scheduled days off either the preceding or following regularly scheduled workday will be observed as the City holiday.

3. Sworn Police Division employees and Public Safety Communications employees shall receive holiday pay or equivalent time off. The equivalent time off for these City holidays not taken during the calendar year in which they were earned must be taken no later than June 30th of the following calendar year. The holiday time off shall be scheduled at the employee's request with supervisory approval and shall be taken prior to utilization of annual leave. If the equivalent time off is not granted, the employee shall be paid eight (8) hours of pay at the straight time rate for each City holiday not taken. Payment will be made no later than the first pay of the subsequent fiscal year.

4. Uniformed Fire and Rescue employees on twenty-four (24) hour shifts shall earn twelve (12) hours of paid time off each calendar year for each City holiday not scheduled to work. The paid time off for these City holidays must be taken no later than June 30th of the following calendar year. The paid time off shall be scheduled at the employee's request with supervisory approval and shall be taken prior to utilization of annual leave. If the time off is not granted, the employee shall earn twelve (12) hours of pay at the straight time rate of pay for each City holiday not taken. Payment will be made no later than the first pay of the subsequent fiscal year.

XVII. Call-Out and On-Call Pay

A. Call-Out Pay

Non-exempt employees may be subject to call-out that does not unduly restrict freedom to conduct personal business. Employees on call-out may be required to carry a pager, notify a manager/supervisor as to contact arrangements, or be included on a list of employees who may be called in to work on a rotational basis. Employees actually called to work under these circumstances shall be guaranteed at least two (2) hours pay for that work period. Travel time to and from work is not compensable time. The call-out requirement shall be included in the position description or in an official memorandum and the employee shall be informed in advance of the scheduling of call-out time.

B. On-Call Pay

A non-exempt employee who is required by management to be immediately available to respond to situations outside of the regularly scheduled shift, whose movements are severely restricted, and who is required to respond to a call to duty within a very short period of time shall be considered to be on-call for pay purposes. On-call employees shall be paid at the applicable hourly rate for all on-call hours less meal and sleep time. Payment for on-call status shall be paid in one (1) hour increments and the minimum paid shall be one (1) hour. If the on-call work hours cause the employee to exceed forty (40) hours in an administrative workweek, the regularly scheduled work hours in a 28-day cycle in the case of eligible sworn Police Division employees, or the regularly scheduled work hours in a 21-day cycle in the case of eligible uniformed Fire and Rescue Division employees, overtime rates shall apply. If

eligible uniformed Fire and Rescue Division employees, overtime rates shall apply. If the on-call work period falls on a City holiday, holiday rates shall apply. The on-call requirement shall be included in the position description or in an official memorandum and the employee shall be informed in advance of the scheduling of on-call time.

XVIII. Emergency Management and Inclement Weather

The City Manager or designee has the discretion to close all or any part of the City offices and operations when a situation exists that endangers life or City property, involves the safety or welfare of employees, or otherwise warrants such action.

Employees designated as "essential personnel" are generally defined as providing those services that must be continued regardless of or pursuant to a state of emergency. Essential personnel are expected to report for duty on time and remain on duty throughout the assigned shift as required to ensure that essential services continue uninterrupted. Essential personnel who work during the time the City is closed, opens late and/or closes early will be paid in accordance with Section XIII for those hours worked until the City resumes normal operations. Essential personnel will be granted the equivalent time off for the hours worked.

When the City is closed, employees who are designated as "non-essential personnel" by the Department Head, who are scheduled to work and not in a paid or unpaid approved leave status (to include but not be limited to sick, vacation, holiday, compensatory, military, administrative, Family and Medical Leave, and leave without pay) shall not be subject to a loss of pay or be charged leave.

Permanent Full-Time employees who choose to take liberal leave when the City is open during emergencies or in inclement weather will be charged leave for regularly-

scheduled time not worked. Permanent Full-Time employees shall have this absence charged to annual leave, leave without pay, or compensatory time.

Employees who are not scheduled to work when the City closes will not receive equivalent time off. This includes essential and non-essential personnel who are in an approved paid or unpaid leave status as well as those employees who are not regularly scheduled to work the day the City is closed.

Permanent Part-Time and WAE employees are not compensated for hours not worked.

City employees should call 311 or 727-8311 and/or monitor local radio and television stations for the most up-to-date information related to closures.

XIX. Achievement Award Program

The Achievement Award Program rewards employees whose creative ideas, suggestions, and actions result in improved service delivery, cost-savings, revenue-generation and/or enhances the City's image. The Achievement Award Program may be used to reward individual and/or group outcomes. Awards equal to or greater than one thousand dollars (\$1,000) shall be approved by the City Manager. The program is detailed in a Personnel Administrative Instruction.

Department Heads, in coordination with the Department of Human Resources and with employee input, may develop written guidelines, performance criteria, incentives and rewards. Department plans may utilize a broad range of incentives including both monetary and non-monetary rewards. The City Manager or designee is responsible for developing an achievement program for Department Heads and the City Manager's staff.

Achievement awards shall meet at least one (1) of the following criteria:

- 1) the activity being rewarded provides a monetary savings to the City,
- 2) the activity increases the City's capability to provide effective services,
- 3) the activity enhances the City's image.

A. Monetary Awards

Monetary awards to an individual or groups for cost-saving or revenue-generating initiatives shall not exceed a total of ten percent (10%) of annual cost-savings or revenue generated. Monetary awards for other kinds of eligible initiatives shall be determined by the Department Head or designee based on departmental achievement award plans.

B. Non-Monetary Awards

Non-monetary awards may include, but are not limited to, paid time off, commemorative gifts, training, tuition reimbursement, certificates of recognition, gift certificates or designated parking spaces.

XX. Additional Compensation

Additional compensation may be in the form of a bonus, annual stipend, weapons allowance, educational incentive, certification incentive, critical skills retention incentive, or sustained performance adjustment.

A. Bonus

In cases when an exempt employee is assigned responsibility by the City Manager or Department Head for the management of project(s) of significant scope, in addition to regular duties, a bonus may be awarded upon successful completion of the

project(s). The amount of the bonus shall be determined on a case-by-case basis and shall be approved in writing by the City Manager or designee.

B. Annual Stipend

An annual stipend may be awarded in those cases where an exempt employee is required to represent the City at a variety of meetings and/or on community groups, boards, or commissions, in addition to regularly scheduled shifts. The amount of such stipend shall be approved by the City Manager and shall be paid when the following criteria are met:

1. The employee is assigned to represent the City as a part of a community-based collaborative initiative and is accountable for progress toward an identified objective that advances the strategic goals of the City.
2. The employee has little or no control over the scheduling of the additional work hours.

The Department Head shall determine the eligibility for the stipend based on the type of work being performed and notify the employee that the work meets the stipend program criteria. The Department Head shall be responsible for maintaining documentation on the assignment and the dates and hours worked during the fiscal year. The employee may qualify for a maximum stipend of thirty-five hundred dollars (\$3,500) for three hundred twelve (312) or more hours worked over and above the regular work schedule. Eligible employees who work less than the three hundred twelve (312) hour threshold shall be paid on a prorated basis. The annual stipend shall be paid in a lump sum.

C. Weapons Allowance

Sworn public safety employees who are authorized to carry a weapon in the performance of duties may receive an annual weapons allowance as determined by City Council resolution. Such allowance, when authorized, shall be paid at the start of each fiscal year in a lump sum. Eligibility for the weapons allowance shall be discontinued effective on the date the employee is no longer authorized to perform public safety-related duties.

D. Educational Incentives

Permanent Full-Time sworn Police Division and uniformed Fire and Rescue Division employees shall be paid educational/certification incentive pay in accordance with the applicable Personnel Administrative Instruction (PAI).

E. Certification Incentives

Certification incentive plans contribute to the success of the City's overall mission by rewarding employees for increasing and maintaining knowledge and skills. Certification incentive plans are department specific and developed by the Department Head in conjunction with the Department of Human Resources. All certification incentive plans shall be approved in writing by the City Manager.

F. Critical Skills Retention Incentive

All Permanent Full-Time employees who are eligible for unreduced retirement as defined by the Virginia Retirement System, whose immediate departure would create functional hardship on the Department's or City's short term goals or ongoing responsibilities, and are paid at the maximum of the appropriate pay scale are eligible for the Critical Skills Retention Incentive program.

Although eligible employees may participate in the Critical Skills Retention Incentive program for a maximum of three years, there is no minimum time limit on the participation period. The incentive amount is on a declining scale by year and is paid each pay cycle. The incentive amount during the first year is calculated at five percent (5%) of base pay. The incentive for the second year is calculated at four percent (4%) of base pay. The incentive for the third (final) year is calculated at three percent (3%) of base pay. Participation in the Critical Skills Retention Incentive program must be authorized by the City Manager or designee, Director of Human Resources, and the appropriate Department Head as outlined in the Personnel Administrative Instruction.

G. Sustained Performance Adjustments

Sustained performance adjustment programs are established as a career path for eligible employees. The City offers these programs to encourage employees to seek opportunities to expand knowledge, skills and abilities. These programs allow employees to advance through a pay range or pay band by obtaining qualifications above the minimum requirements of the position. Sustained performance adjustment plans are department specific and developed by the Department Head in conjunction with Human Resources and approved in writing by the City Manager.

XXI. Fair Labor Standards Act

It is the policy of the City of Hampton to comply with the requirements of the Fair Labor Standards Act (FLSA). Therefore, all managers and supervisors are prohibited from making improper deductions from the salaries of exempt employees. The City does not allow deductions that violate the FLSA.